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CENTRA INTELLIGENCE

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7 November 1964

CENTRAL INTELLIGENCE BULLETIN

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DAILY BRIEF

*USSR: Brezhnev's 6 November anniversary speech strikes an attitude of reasonableness and fair play toward the Chinese, while making no concessions to Peiping on fundamental policy positions.

The Soviet leader re-emphasized "peaceful co-existence" and singled out the nuclear test ban treaty as an example of Soviet steps which restrict the armaments race. Peiping as recently as 6 November reiterated its opposition to "peaceful coexistence" with the US.

Brezhnev hailed the US elections as proof that the American people are "tired of the cold war" and declared that the USSR is ready to develop US-Soviet relations in the interests of peace.

Brezhnev ended his speech with an appeal for unity
and cohesion in the Socialist camp, repeating the USSR's call for an international conference of Com-
munist parties toward this end.

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*USSR: The economic highlights of Brezhnev's 7 November speech indicate a realistic and balanced approach to resource allocations in the USSR by its emphasis on the consumer and the problems of Soviet agriculture.

In the new regime's clearest statement on resource allocation, Brezhnev stated that the "development of heavy industry must be subordinate to the demands of the constant technical requirement of the whole national economy, the needs of defense as well as the interests of the rapid rise of agriculture and the light and food industries." At a minimum this statement indicates a greater attention with the end uses of the economic product rather than with economic growth alone.

Brezhnev's statements call for increased production of high-quality consumer goods, improved services, and better housing. This is to be accomplished by the "further development of socialist industry, particularly its most progressive branches," which in Soviet terminology are generally chemicals and electronics. He also called for increased investment in agriculture and in the farm equipment industry and also emphasized that more autonomy should be granted to collective and state farms.

The abolition of "unwarranted restrictions" on private holdings of land and livestock in the Soviet Union, announced by Brezhnev, is the first clear reversal of a Khrushchev policy by the new regime.

Like the recent decision to expand managerial autonomy in light industry, the concessions to private agriculture may be a further indication that the new regime is seeking more realistic solutions to its economic problems.

(continued)

Asserting that 'economic conditions were not yet ripe' for such restrictions, Brezhnev declared them abrogated. Two days earlier a decree had been promulgated in the Ukraine ordering restoration of private holdings there.

Ukrainian party boss Shelest, writing in Pravda on 6 November, attributed the new policy to the "desires" of the farmers. He added that collective farms and local authorities had been instructed to help the peasants buy livestock and fodder. The Ukrainian decree is reported to have called for a reversion to the "level" of 1955--well before Khrushchev had begun to pressure collective farmers into "voluntary" surrender of livestock and land.

Relaxation of the restrictions on private plots, however, could be a temporary measure. A similar, lenient attitude toward the private sector in agriculture that was adopted in the 1953-55 period following Stalin's death was reversed after Khrushchev had consolidated his power.

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*Bolivia: (Information as of 0500 EST) The new military government is slowly taking shape while civilian politicians begin their scramble for power.)

General Rene Barrientos and the all-military cabinet are working in the government palace and in the ministries where, according to the US Embassy in La Paz, the confusion is almost paralyzing. The Embassy also reports that Barrientos has around him several old cronies acting as advisers. They are variously described as immature and unreliable and one is known to be pro-Communist.

According to Barrientos, the first job of the new government is "to consolidate itself" and, for the time being, he feels it is necessary to effect a balance between the political right and the Communists. Later, he says, the Communists will be eliminated systematically.

Barrientos has been meeting with the leaders of all political parties, apparently with a view toward effecting a civilian political consensus. In general, all political parties and student groups support the government, probably because they have no other immediate recourse at this time.

The regime has as yet set no date for returning the government to civilian control, although its members talk of holding elections in from six to twelve months. Civilian politicians are already beginning to jockey for position and to pressure Barrientos for places in the government, at least on the local level, which would enhance their future political strength.

(continued)

Walter Guevara Arce, competent head of the moderate Authentic Revolutionary Party (PRA) considers extreme leftist ex-vice president Juan Lechin his chief rival in the political struggle that is already shaping up. Guevara also believes that Lechin, using the workers and miners as a base of support, will cause trouble for the military regime in months ahead.

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South Vietnam: The newly launched civilian government faces heavy weather.

Both Buddhist and Catholic leaders have taken offense at Premier Huong's statement implying that they should get out of politics. Buddhist secular leader Thich Tam Chau reportedly has directed student groups to oppose the government, and there may be early student demonstrations. The Saigon press is openly critical.

The acting president of the High National Council resigned two days ago, declaring he could not work with the cabinet. He charged that it did not represent important political groups and would not be able to rally support.

In an appeal for unity, Huong yesterday admit	tod
that his cabinet was not perfect, but said it contain	nod
men of good will, and was 'transitional.' Although	neu
military loadong have a late transitional. Although	n
military leaders have pledged to support the new g	cov-
ernment, they might renege if a new wave of non-	lar
unrest develops.	<u> </u>

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United Nations - Congo: The chief of the United Nations' civil operations in the Congo, Osorio Tafall, has suggested that the UN may have to reassess its entire Congo program because of what he says is the increasingly neocolonialist coloration of the Tshombé government.

Osorio, who is critical of Tshombé's reliance on mercenaries and large numbers of Belgian advisers, contends that the UN should not have to bear the onus of helping a country whose government is anathema to the "will of Africa." He has passed his views to headquarters in New York together with the recommendation that high-level UN officials come to Leopoldville to get a firsthand view of the situation.

At stake is one of the UN's largest assistance programs. It supports the activities of approximately 2,000 technicians who provide a variety of essential services.

Osorio claims he has cautioned Tshombé about giving Belgians too much say in his regime, and that he has specifically advised Tshombé not to accept the so-called 'Rothschild plan." This is the proposed Belgian administrative aid program which would place Belgian personnel in key positions in the Congo. Tshombe has indicated now that he is not altogether satisfied with the plan, at least in its present form

NOTES

Turkey-USSR: Turkish Foreign Minister Erkin's week-long visit to the Soviet Union has brought no surprises. According to the joint communiqué issued yesterday, a three-year cultural and scientific pact was signed and the way was opened for increased trade. Both sides agreed that any Cyprus solution should be based on respect for the island's "sovereignty and integrity" and on the "observance of both communities' lawful rights." Although there has been no indication during the visit that Turkey is contemplating any basic change in policy, more cordial Turkish-Soviet relations may encourage Ankara to take a line more independent of the West.

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Rhodesia: Prime Minister Smith's hand in negotiating with Britain has been somewhat strengthened by the overwhelming vote for "independence under the present constitution" which the predominantly white Rhodesian electorate gave him on 5 November. Smith had indicated before the referendum, however, that he would not interpret it as favoring a unilateral declaration, and the problem of how to obtain independence is no closer to solution. London remains firmly opposed unless the African population is given a considerably larger voice, while the white Rhodesians clearly have been impressed by London's threat to impose economic and diplomatic sanctions if a unilateral move were made.

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